

Debtors' Ex. 78

(House Bill 1745)

ACT 119
AUGUST 9, 1995

To authorize the Issuance of Bonds of the Commonwealth of Puerto Rico in a principal amount not to exceed three hundred and fifty-five million (355,000,000) dollars and the issuance of promissory notes in anticipation of bonds to cover the cost of necessary public improvements and the cost of the sale of said bonds; to provide for the payment of the principal and interest on said bonds and promissory notes; to authorize the Treasury Secretary to make temporary advance payments from the General Treasury Fund of the Commonwealth to be applied to payment of the costs of said improvements and said sale of bonds; to grant the Secretary of Transportation and Public Works and other agencies and entities of the Commonwealth the power to acquire necessary fixed and movable assets, to exercise the power of eminent domain, and to exempt said bonds and promissory notes and interest thereon from taxation.

DECREED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Article 1. The Treasury Secretary is authorized to issue and sell, at once or from time to time, Commonwealth bonds in a principal amount not to exceed three hundred and fifty-five million (355,000,000) dollars, in order to cover the cost of the necessary public improvements listed below, including the acquisition of the necessary lands or rights to land or equipment for the same, the preparation of plans and specifications, the costs of the sale of the bonds and promissory notes issued in anticipation thereof, and all other expenses necessary in regard to the acquisition or construction of such improvements.

The public improvements and the costs of sale of the bonds to be financed hereunder and the estimated amounts of the product of the bonds to be allocated to each of the said improvements and costs by expense item are as follows:

I. Highways and Transportation	
Facilities	\$ 79,153,477

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II. Water and Sewage Facilities	30,000,000
III. School Facilities	9,723,651
IV. Hospital and Social Welfare Facilities	4,295,054
V. Construction of and Improvements to Penal Institutions	68,014,000
VI. Development of Lots and Housing	19,872,101
VII. Agricultural and Tourist Facilities	20,655,844
VIII. Construction of and Improvement to Parks and Other Recreational and Cultural Facilities	49,594,184
IX. Development of Projects for Flood Control	10,000,000
X. Costs necessary for Issuance of 1994 Bonds	3,500,000
XI. Construction of Works	22,000,000
XII. Development of Projects for Citizen Protection and Security	1,537,000
XIII. Other Permanent Improvements and Security	<u>36,654,689</u>
TOTAL	<u>\$355,000,000</u>

In regard to the acquisition and construction of the public works listed above,

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the Treasury Secretary is authorized to pay all costs incurred with regard to the issuance of bonds and promissory notes authorized hereby. Any discount or charge relating to unionization or other commitments, as well as any other charge payable as a result of the issuance of bonds and promissory notes must be included in the calculation of the price or prices at which said bonds or promissory notes might be sold, in accordance with the provisions herein.

Article 2 (a). The bonds to be issued from time to time under the provisions herein, as well as any other details regarding these bonds, will be authorized by way of one or more Resolutions to be adopted by the Treasury Secretary and approved by the Governor. Said bonds will be designated as “Public Improvement Bonds of the Commonwealth of Puerto Rico of the Year 1996”.

(b) The bonds authorized to be issued under the provisions herein will be dated; they will mature on a date or dates not to exceed thirty years after their date or dates (except those bonds that refer to public housing, which will mature no later than forty years after their date or dates); they will accrue interest at a rate or rates not to exceed that which is legally authorized at the time the bonds are issued, and, at the option of the Treasury Secretary they may be made redeemable prior to maturity; they may be sold with or without premium; they will be of the denomination and in such form, with interest coupons or registered or both; they will have the privileges of registry and conversion; they will be executed and be payable within and outside of the Commonwealth of Puerto Rico, and will contain other terms and conditions as provided in the authorizing Resolution or Resolutions.

(c) The bonds authorized hereby may be sold at once or from time to time, in a public or private sale, and at a price or prices no lower than those legally established at the time of their issuance as determined by the Treasury Secretary, with the approval of the Governor, to be most suitable to the best interests of the Commonwealth.

(d) When any official whose signature or facsimile appears on any bond or coupon authorized hereby ceases to be in office prior to the delivery of said bonds, such signature or facsimile shall be valid and sufficient, as if, for all intents and purposes, that official had remained in office through such delivery; in addition, any bond or coupon can bear the signature or facsimile of those persons who, at the time

the bond is executed, are the appropriate officials to sign it, even if said persons did not occupy that position on the date of the bond.

(e) Bonds issued in accordance with the provisions herein shall be considered as negotiable instruments under the Laws of the Commonwealth of Puerto Rico.

(f) The bonds authorized hereby may be issued in the form of coupons or in registrable form, or both, as determined in the authorizing Resolution or Resolutions, and provision may be made for the registry of any bonds or coupons in regard to the principal only, and also in regard to the principal and interest, and for the reconversion to coupons of any registered bonds in regard to the principal and interest.

Article 3. The Treasury Secretary is hereby authorized, with the approval of the Governor, to negotiate and enter into with any bank, investment firm, or other financial institution, loan agreements, purchase agreements, or other financing agreements as necessary for the sale of the bonds or of the promissory notes in anticipation of bonds whose issuance is authorized in Article 5 of this Act, under the terms and conditions determined by the Treasury Secretary to be most favorable to the best interests of the Commonwealth.

Article 4. The good faith, credit, and taxation power of the Commonwealth of Puerto Rico are irrevocably pledged for timely payment of the principal and the interests on the bonds used under the provisions herein. The Treasury Secretary is authorized and ordered to pay the principal and interest on said bonds as they mature, from any funds available for this purpose in the Treasury of the Commonwealth of Puerto Rico in the fiscal year in which such payment is required, and the provisions contained herein relating to the payment of the principal and the interest on said bonds will be considered as an ongoing allocation in order that the Treasury Secretary may make said payments, even if no specific allocations are made for such purposes. Said payments will be made in accordance with the provisions of the Laws of the Commonwealth that govern disbursement of public funds.

The Treasury Secretary is authorized and ordered to include in the authorizing Resolution or Resolutions the commitment assumed by the Commonwealth hereby and to specify in the bonds that the good faith, credit, and taxation power of the Commonwealth are thusly pledged.

Article 5. In anticipation of the issuance of bonds, the Treasury Secretary, by way of resolution approved by the Governor, is authorized to: at any time or from time to time, borrow money and issue promissory notes of the Commonwealth payable only from the product of said bonds.

Said promissory notes will be designated as “Promissory Notes in Anticipation of Bonds of the Commonwealth of Puerto Rico”, and it will be stated on such notes that they are issued in anticipation of the issuance of said bonds.

Such promissory notes, including any renewals or extensions thereto, will be dated; they may be issued from time to time with a maturity not to exceed five (5) years from the date of their first issuance; they will accrue interest at a rate not to exceed that which is legally authorized at the time of their issuance; they may be made redeemable prior to their maturity at the option of the Treasury Secretary; they will be executed, and may be sold in private or public sale at a price or prices no lower than the price established by law at the time of their issuance, and will contain all other terms and conditions as provided in the Authorizing Resolution or Resolutions adopted by the Treasury Secretary and approved by the Governor.

Article 6. The good faith, credit, and taxation power of the Commonwealth will be irrevocably pledged for the timely payment of the interest on any promissory note issued in accordance with the provisions herein. The Treasury Secretary is authorized and ordered to pay the interest on said promissory notes as they mature, from any funds available for this purpose in the Treasury of the Commonwealth during the fiscal year in which such payment is required. The provisions contained herein relating to the payment of interest on the promissory notes in anticipation of the issuance of bonds will be considered as an ongoing allocation in order that the Treasury Secretary may make said payments, even if no specific allocations are made for these purposes.

The Treasury Secretary must, in accordance with the provisions herein, issue bonds with sufficient time and in the amount necessary so that the funds required for payment of the principal of the promissory notes are available as they mature and fall

due, applying the product of the issuance of the bonds for the payment of said promissory notes.

Any payments made with respect to the promissory notes in anticipation of the issuance of bonds will be made in accordance with the provisions of the Laws of the Commonwealth of Puerto Rico that govern disbursements of public funds.

Article 7. The product of the sale of the promissory notes and of the bonds issued under the provisions herein (and which is not the product of the bonds required for payment of the principal of said promissory notes) will be added to a special fund called the “1996 Public Improvements Fund”, and will be disbursed in accordance with the statutory provisions that govern disbursements of public funds and for the purposes provided herein.

Article 8. The Treasury Secretary is authorized to make provisional advance payments of any funds available in the Public Treasury of the Commonwealth to be used to defray the cost of the public works authorized to be financed with the product of the sale of the bonds issued under the provisions herein. The Treasury Secretary will use the first monies available in the Public Improvements Fund to repay any provisional advance payment that has been made.

Article 9. The Treasury Secretary, in accordance with the determinations of the Director of the Budget and Management Office, and with the approval of the Governor, is authorized to use any money allocated hereby, and that is ultimately not needed for the purposes contained herein, for any other permanent public improvements approved by the Legislative Assembly and that are pending completion and chargeable to the General Fund.

Article 10. The acquisition and construction of the public improvements authorized to be financed with the product of the sale of the bonds issued under the provisions herein will be carried out in accordance with the plans approved by the Planning Board pursuant to the provisions of Act 75 of June 24, 1975 and will be subject to approval by the Governor of Puerto Rico.

Article 11. The Secretary of Transportation and Public Works and the agencies and entities of the Commonwealth responsible for the programs for which the

product of the sale of the bonds issued under the provisions herein will be allocated, are authorized and empowered to acquire on behalf of the Commonwealth of Puerto Rico or on behalf of the agency or entity, as appropriate, by donation, purchase, or by exercising the right of eminent domain in accordance with the laws of the Commonwealth of Puerto Rico, any land or rights or stakes to lands, and to acquire any movable property or equipment they deem necessary, in order to carry out the public improvements listed in Article 1 of this Act.

Article 12. The amount of three million five hundred thousand (3,500,000) dollars or the necessary part thereof is allocated from the product of the sale of the bonds issued under the provisions herein to be applied toward payment of the expenses incurred in the issuance and sale of said bonds.

Article 13. All bonds and promissory notes issued under the provisions herein, as well as the interest accrued thereby, will be exempt from payment of all taxes imposed by the Commonwealth of Puerto Rico and its agencies.

Article 14. This Act shall not be understood as revoking or amending any other preceding act of the Legislative Assembly of Puerto Rico authorizing issuance of bonds of the Commonwealth of Puerto Rico. The bonds authorized by this Act are in addition to any other previously authorized bonds of the Commonwealth of Puerto Rico.

Article 15. This Act will take effect on July 1, 1995.

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President of the House of Representatives

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President of the Senate



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TRANSLATOR'S CERTIFICATE OF TRANSLATION

Translation from: Spanish (Puerto Rico) into English (US)
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I, Andreea Boscor, ATA Certification #525556,(verify at www.atanet.org/verify), acting as translator at TARGEM Translations Inc., a NEW YORK City corporation, with its principal office at 185 Clymer Street, Brooklyn, NY, 11211, USA, certify that:

the English translated document identified below, is a true and accurate translation of the original Spanish and has been translated to the best of my knowledge.

Document Name: Ley 119-1995_EN



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Signed this 22nd day of September 2019

A handwritten signature in black ink, appearing to read 'A. Boscor', written over a horizontal line.

Andreea I. Boscor

